Houses. They are then eligible for a number of import facilities in the form of REP licences and additional licences etc.

(8) *Interest Subsidy Scheme*: Pre-shipment/Post shipment credit is allowed to exporters by the Banks at a subsidised rate of interest under this scheme.

(9) *MDA grant-in-aid for export effort*: Market Development Assistance is provided for meeting expenditure on Cash Compensatory Support, Grants-in-aid to Export Promotion Councils and for schemes and projects for the development of markets abroad and for disbursement of interest subsidy.

(10) *Export Credit Insurance*: The facility of export credit insurance is provided to exporters by the Export Credit Guarantee Corporation of India Limited.

(11) *Free Trade Zones*: Free Trade Zones have been established at Kandla (KAFTZ) and Santa Cruz (SEEPZ) to promote exports. New Zones at Madras, Cochin, NOIDA (UP) and Falta (West Bengal) are also being set up.

(12) 100 *per cent Export Oriented Unit Scheme*: This scheme provides for setting up of 100 per cent Export Oriented Units which will offer for exports their entire production excluding pemitted level of rejects.

2. Export Promotion Councils are given grant-in-aid from Market Development Assistance fund. These Councils are autonomous organisations registered under the Companies Act/Societies Act, as non-profit making bodies. In the formation of such Councils, necessary assistance is provided by the Government. The day-to-day affairs of these Councils are carried on by a Managing/Administrative Committee of the Councils, in which are represented exporter members, elected by the Council.

3. Government officials are nominated on the Export Promotion Councils and there is constant dialogue between the Export Promotion Councils and the concerned senior officers in the Commerce Ministry, which help in the efficient working and management of the Councils. At the time of finalising the Annual Budgets of the Councils, a detailed discussion takes place and action is initiated on any improvement to be brought about in the functioning of the Councils.

Apparel Export Promotion Council

890. SHRI GULAM MOHI-UD-DIN SHAWL: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Apparel Export Promotion Council has been receiving DMA grant for overseas export promotions, foreign exhibition, etc. and if so, when the assistance was sanctioned for the first time and the date since when the assistance was stopped;

(b) whether any post was created or scale of pay fixed by the AEPC during the above period; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) Yes, Sir. The first MDA Grant was sanctioned to the Council on 16-11-82. Since 1-4-85 MDA Grant to the Council has been stopped.

(b) and (c) No post has been created by the Council out of MDA Grant.

Apparel Export Promotion Council

891. SHRI GULAM MOHI-UD-DIN SHAWL: Will the Minister of TEXTILES be pleased to refer to the answer to Unstarred question 223 given in the Rajya Sabha on the 19th November, 1985 and furnish a copy or copies of Government instructions

issued to the Apparel Export Promotion Council, New Delhi, with regard to the penalty amount of Rs. 3.12 crores as on 31st December, 1984 and interest thereon upto 31st December, 1984?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): Copies of the communications on the subject issued by the Government to the AEPC are appended as Statement I and II.

Statement I

COPY OF D.O. LETTER NO. 1(23)/79-EP(T&J)-I VOL. II, DATED 23RD DECEMBER, 1980 FROM SHRI T. K. NARAIN, UNDER SECRETARY, DEPARTMENT OF TEXTILES TO SHRI A. S. M. SWAMI, SENIOR DIRECTOR, AEPC, NEW DELHI.

You may recall that some time back JS(BKZ) had suggested to Chairman, AEPC that amounts collected by the Council from penalties should be kept in a separate fund for export promotion purposes. Kindly let us know how exactly the funds have been kept by the Council in order to ensure that funds are being kept in the best interests of the Government. An immediate reply is requested.

Statement II

COPY OF D.O. LETTER NO. 11/31/83-EP (T&J)-I, DATED 10TH MAY, 1983 FROM SHRI N. K. SABHARWAL, JOINT SECRETARY, DEPARTMENT OF TEXTILES TO SHRI O. P. GOYAL, CHAIRMAN, AEPC., NEW DELHI.

This is with reference to earlier communications sent from this Department regarding the amounts collected by the AEPC by way of forfeiture of EMDs/Bank Guarantees and the interest thereon. As you are aware, Government had advised the Council to keep these amounts in accounts earning suitable rates of interests. The money is to be utilised for export promotion purposes with the approval of the Government.

A number of Questions have been answered on this subject lately in Parliament, and in reply to these questions also it has been stated that the AEPC has been advised to keep the amounts separate for export promotion purposes. Your particular attention is invited to Rajya Sabha Unstarred Question No. 1523 (Original Dy. No. 161) due for answer on 10-5-1983. The Question seeks information, *inter alia*, on whether the interest earned by the AEPC on the principal amount (collected by way of forfeiture) is shown separately in the Balance Sheet and, if not, whether the Council would be asked to show such interest figures separately. This matter has been considered and it is felt that the Council should indicate the principal and interest amounts appropriately in the Council's Balance Sheet.

Action taken in this regard may please be intimated to the Department of Textiles at earliest.

Inquiry into the Working of Raw Cotton Monopoly Procurement Scheme

892. SHRI SHANTIMOY GHOSH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have instituted any inquiry into the Working of the Raw Cotton Monopoly Procurement Scheme in Maharashtra;

(b) if so, what are the reasons for such an inquiry; and

(c) what is the outcome of the said inquiry and the action taken thereon?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) to (c) The raw cotton monopoly procurement scheme in Maharashtra is valid upto 30th June, 1986. The Government of Maharashtra have sought extension of the said scheme beyond 30th June, 1986. The Government of India have constituted a committee to go into the question of